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EQUITY MARKETS

India	Change, %			
	22-Nov	1-day	1-mo	3-mo
Sensex	18,526	(0.4)	0.2	30.8
Nifty	5,519	(0.8)	0.8	34.1
Global/Regional indices				
Dow Jones	12,799	(1.6)	(5.7)	(3.3)
Nasdaq Composite	2,562	(1.3)	(7.0)	0.4
FTSE	6,155	1.4	(5.5)	(0.7)
Nikkei	14,889	0.3	(9.5)	(8.7)
Hang Seng	26,560	2.1	(9.6)	15.6
KOSPI	1,781	(1.0)	(8.6)	(1.1)
Value traded - India				
		Moving avg, Rs bn		
	22-Nov	1-mo	3-mo	
Cash (NSE+BSE)	243.4	290.5	246.6	
Derivatives (NSE)	711.5	714.5	517.5	
Deri. open interest	1,063.8	972.9	830.9	

Forex/money market

	Change, basis points			
	22-Nov	1-day	1-mo	3-mo
Rs/US\$	39.5	-	(9)	(152)
6mo fwd prem, %	0.7	(25)	71	24
10yr govt bond, %	7.9	(1)	3	1

Net investment (US\$m)

	21-Nov	MTD	CYTD
FIs	(551)	(952)	16,335
MFs	(38)	(4)	170

Top movers -3mo basis

Best performers	Change, %			
	22-Nov	1-day	1-mo	3-mo
Neywell Lignite	181	(2.4)	49.6	156.8
Reliance Cap	2,325	7.2	32.7	120.2
Reliance Energy	1,605	(5.2)	5.4	127.4
Escorts	137	(4.4)	21.8	86.9
Engineers India	792	(4.6)	40.1	75.8
Worst performers				
i-Flex	1,303	(3.9)	(17.6)	(29.2)
Punjab Tractors	193	(1.6)	(11.7)	(14.2)
Infosys	1,532	(1.1)	(18.7)	(15.3)
Ingersoll Rand	302	(0.9)	3.7	(9.3)
Pfizer	650	(2.0)	(2.6)	(4.8)

News Roundup

Corporate

- The Tatas have got employer's union support for their Jaguar-Land Rover bid. United, Britain's largest trade union in the auto sector, has issued a statement favouring the Tatas. In other news, Tata Motors and the Indian Space Research Organisation are collaborating in the development of hydrogen-fuelled technology that will run buses. (ET, Mint)
- The world's second-largest burger chain, the US\$2.3 bn Burger King of the US, is set to enter the Indian market through a tie-up with the country's largest real estate company DLF. (FE)
- Reliance Retail, which was forced to close down its Reliance Fresh stores in Uttar Pradesh following protests from small retailers, is set to reopen some of its closed outlets in the NCR region under a new home solutions format, Reliance Home. (Media reports)
- Bharat Heavy Electricals Ltd, the country's largest power equipment manufacturer, is in talks with a bevy of States to form joint venture companies to execute coal-fired projects based on the new technology units. (BL)

Economic and political

- The textile industry will lose 1 mn jobs in this fiscal due to the rupee appreciation. (BS)
- The Securities Appellate Tribunal (SAT) has set aside Sebi's first ever disgorgement order directing 10 entities to pay about Rs1.16 bn for their role in the IPO multiple demat scam. (ET)

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line.

Kotak Institutional Equities Research

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Industrials**SIEM.BO, Rs1932**

Rating	SELL
Sector coverage view	Attractive
Target Price (Rs)	1,550
52W High -Low (Rs)	2117 - 968
Market Cap (Rs bn)	325.7

Financials

September y/e	2006	2007	2008E
Sales (Rs bn)	60.6	91.6	131.1
Net Profit (Rs bn)	3.8	5.1	7.9
EPS (Rs)	22.7	30.3	46.8
EPS <i>gth</i>	31.3	33.5	54.3
P/E (x)	85.1	63.7	41.3
EV/EBITDA (x)	48.6	37.7	23.1
Div yield (%)	0.2	0.3	0.4

Shareholding, September 2007

	% of		Over/(under)
	Pattern	Portfolio	weight
Promoters	55.2	-	-
FIs	8.3	0.2	(0.4)
MFs	8.4	1.4	0.8
UTI	-	-	(0.6)
LIC	7.8	1.2	0.6

Siemens: Miss estimates with lower-than-expected execution, large other income boosts profit

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- **Miss estimates with lower-than-expected execution, large other income from exchange gains and sale of business boosts reported profit**
- **Order inflow momentum slags and revenue visibility declines to 0.8 year from 1.1 years earlier**
- **Accounting for discontinued businesses for partial year probably accounted for moderate outperformance at a consolidated level**
- **Maintain Sell rating based on outlook (1) margin pressures could persist and (2) growth visibility could slacken potentially**

Siemens has reported revenues of Rs21.9 bn (up 46% yoy) and profit after tax of Rs1.7 bn (up 24% yoy) versus our expectation of revenues of Rs24.6 bn and profit after tax of Rs1.78 bn respectively. We have adjusted the reported net profit for other income from exchange gains as well as exceptional items. Operating profit margin, excluding exchange gains, has expanded by 140 bps yoy basis to 9.7% from 8.3% last year. However, full year operating margins have declined by 150 bps to 7.4% from 8.9% last year. Lower order backlog at Rs94 bn provides revenue visibility of 0.8 years based on forward four quarters, a decline from visibility level of 1.1 years at the end of 3Q. We retain our SELL rating on the stock based on (a) likelihood that margin pressures would persist, (b) about 30% of consolidated earnings and value come from the IT subsidiary SISL, which may be facing the pressure because of Rupee appreciation, (c) preponderance of very large orders in the order book that potentially yield lower margins and are less likely to be repeatable. Upside risk arise from better-than-expected margins as well as order inflow announcements.

Miss estimates with lower-than-expected execution, large other income from exchange gains and sale of business boosts reported profit

Siemens has reported revenues of Rs21.9 bn (up 46% yoy) and profit after tax of Rs1.7 bn (up 24% yoy) versus our expectation of revenues of Rs24.6 bn and profit after tax of Rs1.78 bn, respectively. We have adjusted the reported net profit for other income from exchange gains as well as exceptional item. Operating profit margin excluding exchange gains has expanded by 140 bps on a yoy basis to 9.7% from 8.3% last year. However, full year operating margins have declined by 150 bps to 7.4% from 8.9% last year. EBIT margin improvement in the power segment is related to exchange gains as other important segments such as automation and drives and industrial solutions and services have reported a yoy decline in margins (Exhibit 1).

Moderately outperformed versus our expectations at a consolidated level

Siemens has declared consolidated revenues of Rs93.8 bn and profit after tax of Rs5.27 bn before exceptional items versus our expectations of revenues of Rs91.6 bn and profit after tax of Rs5.1 bn. This moderate outperformance could be because of the fact that Siemens has accounted for discontinued businesses such as SPCNL for part of the accounting year (before the effective date of divestiture), which we had had not included in our projections (Exhibit 2).

Order inflow momentum slags and revenue visibility declines to 0.8 year from 1.1

New orders have declined 2% yoy (decline of 27% qoq) to Rs12.8 bn from Rs13.1 bn and order backlog stood at Rs94 bn (up 25% on a yoy basis) versus Rs108 bn at the end of the third quarter. The order backlog provides revenue visibility of 0.8 years based on forward four quarters, a decline from visibility of 1.1 years at the end of 3Q (Exhibit 3).

Pricing for divestiture of Information and communications segment business may be value dilutive in light of trading earnings multiples

Siemens Ltd is transferring the Information and communication segment business to parent Siemens AG for a total consideration of Rs609 mn. We highlight that Information and communication segment had revenues of Rs1.42 bn and EBIT of Rs146 mn in year ended September 2006. Thus this segment has been divested in favor of Siemens AG at an implied valuation of 4.2X historical EBIT.

Maintain Sell rating based on outlook that margins pressures could persist and slackening of growth visibility

We retain our SELL rating on the stock based on (a) likelihood that margin pressures would persist, (b) About 30% of consolidated earnings and value come from the IT subsidiary SISL, which may be facing the pressure because of Rupee appreciation, (c) preponderance of very large orders in the order book that potentially yield lower margins and are less likely to be repeatable. Upside risk arise from better than expected margins as well as order inflow announcements.

We had earlier highlighted the possibility that Siemens could disappoint on execution and may have limited surprise, if any, with regards to order booking in the fourth quarter in our note dated November 13, 2007.

Siemens is holding a conference call at 10:30 AM on November 23, 2007 where we expect to receive more clarity on (a) outlook on margins, (b) performance of individual subsidiaries and (c) growth outlook in light of declining visibility.

Exhibit 1. Siemens (standalone) - 4Q07 - key numbers, year ending September 30, 2007, (Rs mn)

	yoy			qoq			yoy		
	4Q07	4Q06	% change	4Q07	3Q07	% change	FY2007	FY2006	% change
Sales	21,885	14,997	45.9	21,885	17,823	22.8	77,268	45,397	70.2
Expenses	(19,764)	(13,752)	43.7	(19,764)	(16,992)	16.3	(71,530)	(41,356)	73.0
Stock	181	(338)	(153.4)	181	1,756	(89.7)	2,569	1,024	150.8
Raw material	(16,178)	(10,856)	49.0	(16,178)	(15,956)	1.4	(63,181)	(34,723)	82.0
Employee	(1,221)	(937)	30.3	(1,221)	(987)	23.7	(4,045)	(2,955)	36.9
Other expenses	(2,546)	(1,622)	57.0	(2,546)	(1,806)	41.0	(6,873)	(4,702)	46.2
Operating profit	2,120	1,244	70.4	2,120	831	155.2	5,738	4,041	42.0
Other income	540	637	(15.2)	540	374	44.4	985	1,089	(9.5)
EBIDT	2,660	1,881	41.4	2,660	1,205	120.8	6,723	5,130	31.0
Interest	90	116	(22.7)	90	123	(26.8)	443	367	20.8
Depreciation	(160)	(122)	31.2	(160)	(121)	32.9	(492)	(442)	11.3
PBT	2,590	1,875	38.1	2,590	1,207	114.6	6,674	5,055	32.0
Tax	(889)	(508)	75.1	(889)	(389)	128.6	(2,353)	(1,454)	61.9
Net profit	1,701	1,367	24.4	1,701	818	108.0	4,321	3,601	20.0
Extraordinary items	1,385	0		1,385	0		1,644	0	
RPAT	3,086	1,367	125.7	3,086	818	277.3	5,965	3,601	(14.3)
Key ratios (%)									
Raw material / Sales	73.1	74.6		73.1	79.7		78.4	74.2	
Employee expenses / Sales	5.6	6.2		5.6	5.5		5.2	6.5	
Other expenses / Sales	11.6	10.8		11.6	10.1		8.9	10.4	
Operating profit margin	9.7	8.3		9.7	4.7		7.4	8.9	
PBT Margin	11.8	12.5		11.8	6.8		8.6	11.1	
Tax rate	(34.3)	27.1		(34.3)	32.2		(35.3)	28.8	
PAT margin	7.8	9.1		7.8	4.6		5.6	7.9	
Order booking and order backlog									
Order booking	12,782	13,035	(1.9)	12,782	17,536	(27.1)	101,070	82,025	23.2
Order backlog	94,074	75,258	25.0	94,074	108,164	(13.0)	94,074	75,258	25.0
Segment results									
Revenues									
Information & Communication	184	351	(47.5)	184	465	(60.4)	1,470	1,418	3.6
Automation & Drives	5,301	3,878	36.7	5,301	3,706	43.0	16,555	12,210	35.6
Industrial Solution and Services	2,809	1,972	42.4	2,809	2,369	18.5	9,529	5,321	79.1
Power	11,431	6,941	64.7	11,431	9,823	16.4	43,008	19,782	117.4
Transport	1,298	682	90.2	1,298	790	64.4	3,467	2,483	39.7
Healthcare & other services	1,695	1,483	14.3	1,695	1,199	41.3	5,247	4,138	26.8
Building Technologies	290	274	5.9	290	230	26.1	1,020	756	34.9
Automotive	337	313	7.7	337	296	13.9	1,203	1,240	(3.0)
Real estate	162	133	22.2	162	96	68.2	496	421	17.6
Revenue mix (%)									
Information & Communication	0.8	2.2		0.8	2.5		1.9	3.1	
Automation & Drives	22.6	24.2		22.6	19.5		21.4	27.1	
Industrial Solution and Services	11.9	12.3		11.9	12.5		12.3	11.8	
Power	48.6	43.3		48.6	51.8		55.7	43.9	
Transport	5.5	4.3		5.5	4.2		4.5	5.5	
Healthcare & other services	7.2	9.3		7.2	6.3		6.8	9.2	
Building Technologies	1.2	1.7		1.2	1.2		1.3	1.7	
Automotive	1.4	2.0		1.4	1.6		1.6	2.7	
Real estate	0.7	0.8		0.7	0.5		0.6	0.9	
EBIT Margin (%)									
Information & Communication	6.1	8.1		6.1	7.9		7.9	10.3	
Automation & Drives	7.3	10.1		7.3	7.0		6.9	8.6	
Industrial Solution and Services	8.6	10.3		8.6	10.1		10.0	11.0	
Power	9.9	4.2		9.9	0.5		6.0	6.2	
Transport	5.6	4.7		5.6	8.8		6.5	8.3	
Healthcare & other services	4.6	5.7		4.6	4.5		2.2	2.4	
Building Technologies	14.7	4.6		14.7	7.9		9.1	5.4	
Automotive	21.7	3.5		21.7	(2.1)		5.5	1.4	
Real estate	59.3	56.2		59.3	74.9		65.6	58.8	

Source: Company data, Kotak Institutional Equities estimates

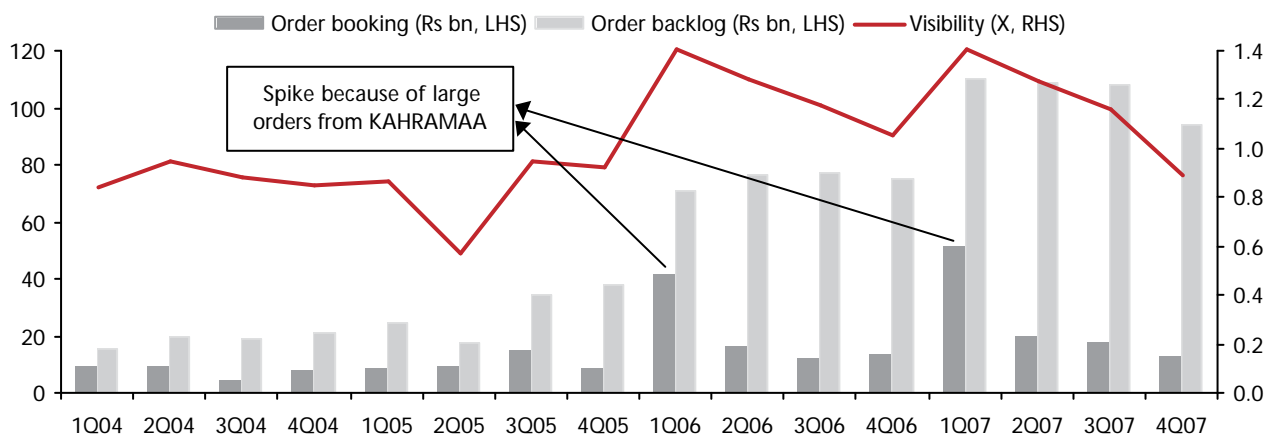
Exhibit 2: Siemens (consolidated) - 2007 - key numbers, year ending September 30, 2007 (Rs mn)

	% yoy		
	2007	2006	% change
Sales	93,786	60,586	54.8
Expenses	(85,623)	(54,170)	58.1
Stock	2,713	1,160	133.8
RM	(66,746)	(40,774)	63.7
Employee	(9,140)	(7,626)	19.8
Other expenses	(12,450)	(6,930)	79.6
Operating profit	8,163	6,417	27.2
Other income	551	329	67.3
EBIDT	8,714	6,746	29.2
Interest	542	389	39.4
Depreciation	(1,403)	(1,260)	11.4
PBT	7,853	5,875	33.7
Tax	(2,583)	(1,955)	32.1
Net profit	5,269	3,920	34.4
Extraordinary items	1,659	0	
RPAT	6,929	3,920	76.7
Key ratios (%)			
RM / Sales	68.3	65.4	
Empl / Sales	9.7	12.6	
Other exp / Sales	13.3	11.4	
OPM	8.7	10.6	
PBT Margin	8.4	9.7	
Tax rate	(32.9)	33.3	
PAT margin	5.6	6.5	

Source: Company data, Kotak Institutional Equities estimates

Exhibit 3. Visibility declines potentially indicating slackening of growth visibility

Order booking, Order backlog & visibility trend for Siemens, September fiscal year-ends



Source: Company data, Kotak Institutional Equities estimates.

Metals**JSTL.BO, Rs911**

Rating	ADD
Sector coverage view	Neutral
Target Price (Rs)	1,040
52W High -Low (Rs)	1040 - 310
Market Cap (Rs bn)	169.3

Financials

December y/e	2007	2008E	2009E
Sales (Rs bn)	85.9	102.0	121.6
Net Profit (Rs bn)	12.9	17.4	20.3
EPS (Rs)	67.8	92.0	107.6
EPS gth	51.3	35.7	16.9
P/E (x)	13.4	9.9	8.5
EV/EBITDA (x)	7.4	6.9	6.7
Div yield (%)	1.4	2.0	2.0

Shareholding, September 2007

	Pattern	% of Portfolio	Over/(under) weight
Promoters	46.3	-	-
FIs	26.5	0.4	0.1
MFs	3.1	0.3	(0.0)
UTI	-	-	(0.3)
LIC	2.6	0.2	(0.1)

JSW Steel: Positive post meeting with management; upgrade to ADD

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- **We recently met JSW Steel's management and have returned optimistic on the pace of developments in the company**
- **JSW reaffirmed its commitment to commission its expansion (3.8 mn tons of new capacity in addition to existing 3 mn tons) earlier than scheduled. Following this, we now model higher production for FY2009E than expected earlier**
- **We now account for incremental value generation from acquisition of Southern Iron & Steel (SISCOL)**
- **Higher production estimates lead to ~10% higher EBITDA for FY2009E and FY2010E. We revise our SOTP-based target price to Rs1,040 (from Rs800). We also upgrade our rating to ADD from REDUCE earlier**

We have returned optimistic from our recent meeting with JSW Steel's management. JSW reaffirmed its commitment to commission its expansion (to 6.8 mn tons) three months earlier than scheduled. We model higher production in FY2009E, which results in 10% increase in EBITDA. Having known more details about SISCOL, we now model value accretion from its acquisition. We increase our target price to Rs1,040 on the stock (from Rs800 earlier) and upgrade rating on the stock to ADD from REDUCE.

We increase our production estimates for FY2009E and FY2010E following the earlier-than-expected commissioning of JSW's expansion to 6.8 mn tons (in addition to the existing 3 mn tons) in Bellary. We had earlier assumed the expansion would commission in 4QFY09, but now believe it will be commissioned towards end-CY2008E. This leads to a ~6% increase in production expectation for both FY2009E and FY2010E. Exhibit 1 gives changes in our forecasts.

We now account for accretion from acquisition of SISCOL. After commissioning of its ongoing expansions in 4QFY08, SISCOL will likely add 1 mn tons of long product capacity to JSW Steel (0.3 mn ton expansion already commissioned). Subsequent to the commissioning of capacity, we expect SISCOL EBITDA to increase to Rs3.7 bn in FY2009E from Rs1.2 bn in FY2007. JSW Steel is still awaiting approval for its merger scheme from several agencies (including the Bombay High Court). In addition, JSW Steel will be able to take advantage of SISCOL's unabsorbed depreciation and losses to the tune of Rs6 bn. Exhibit 2 gives our key assumptions for SISCOL.

SISCOL (in a JV with TIDCO) has also been issued a prospecting license (P/L) for mining iron ore with reserves of 100 mn tons in state of Tamil Nadu. We understand that JSW will have to set-up a beneficiation plant (since ore quality is poor ~44% Fe); hence procurement of iron ore from this mine shall take at least a couple of years. We are not yet building upsides from reduction of cost on captive iron ore.

Higher expected production leads to increase in estimated EBITDA by roughly 10% each for FY2009E and FY2010E. In addition, lower expected tax on account of unabsorbed depreciation and losses will lower ETR of the merged entity for the current fiscal. Exhibit 1 gives changes in our forecasts.

We revise our SOTP-based target price to Rs1,040/ share, up from Rs800 earlier. Exhibit 3 gives our SOTP-based valuation for JSW Steel. The upgrade largely follows higher expectation of EBITDA for FY2009E. We note in Exhibit 4 that JSW Steel has underperformed peers since our re-initiation and performed inline with Sensex. We are still concerned that increasing raw material prices will hurt JSW Steel's EBITDA margins in FY2009E, but higher volume growth than expected earlier will allow it to report higher-than-expected EBITDA growth going forward. We also upgrade our rating to ADD versus REDUCE earlier.

JSW Steel, Changes in estimates, March fiscal year ends (Rs mn)

	Old estimates		New estimates		% change	
	FY2009E	FY2010E	FY2009E	FY2010E	FY2009E	FY2010E
Crude steel production ('000 tons)	4,370	5,816	4,523	6,162	3.5	6.0
Revenue	117,525	145,179	121,635	151,135	3.5	4.1
EBITDA	36,314	44,468	39,410	49,298	8.5	10.9
Net earnings	17,763	21,151	19,682	24,488	10.8	15.8

Source: Kotak Institutional Equities estimates

SISCOL, Key model assumptions, March fiscal year ends (Rs mn)

	FY2007	FY2008E	FY2009E	FY2010E
Effective installed capacity (tons)	300,000	550,000	800,000	1,000,000
Production (tons)	319,352	550,000	800,000	1,000,000
Net revenues (Rs mn)	6,884	12,721	19,339	24,415
EBITDA (Rs mn)	1,212	2,436	3,703	4,479
Net earnings (Rs mn)	190	636	1,742	2,519

Note a: FY2007E EBITDA and net earnings are adjusted for extraordinary items

Source: SISCO AR2007, Kotak Institutional Equities estimates

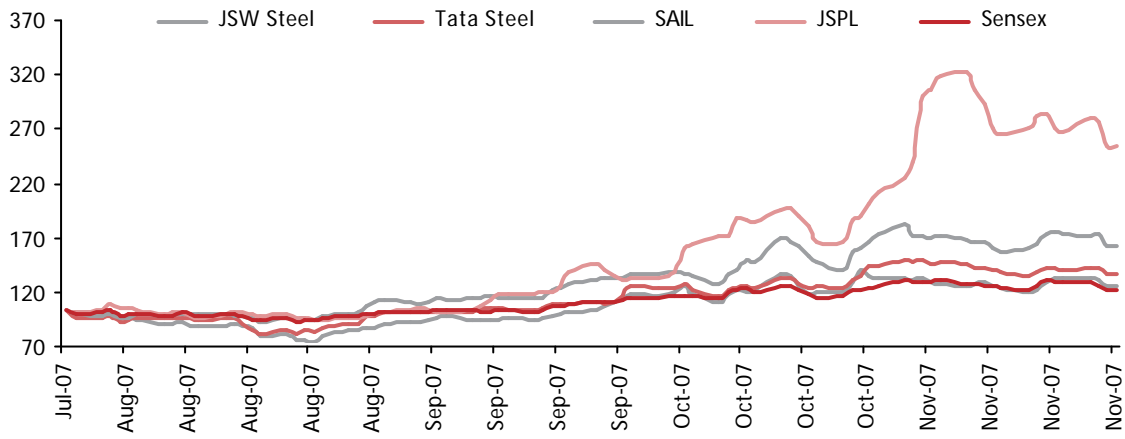
JSW Steel, SOTP-based valuation, March fiscal-year ends 2009E basis (Rs mn)

	EBITDA (Rs mn)	Multiple (X)	Enterprise value			Comment
			(Rs mn)	(US\$ mn)	(Rs/share)	
FY2009E standalone EBITDA	39,410	7.0	275,870	6,897	1,372	
Less: standalone net debt of JSW Steel			(96,388)	(2,410)	(480)	FY2009E net debt, adjusted for cash and marketable securities
Standalone equity valuation (a)			179,482	4,487	893	
Add: US subsidiary FY2009E EBITDA	6,940	7.0	48,580	1,215	242	
Less: cost of acquisition of US subsidiary			(37,600)	(940)	(187)	
Value accretion on acquisition (b)			10,980	275	55	
FY2009E SISCOL EBITDA	3,703	7.0	25,918	648	129	Non-integrated plant; similar multiple of JSW assumed
Less: SISCOL net debt			(8,000)	(200)	(40)	Post expansion debt assumed
Value accretion on SISCOL acquisition (c)			17,918	448	89	
Arrived market capitalization (a+b+c)			190,462	4,762	1,037	
Target price (Rs/share)					1,040	Raised from Rs800 earlier

Source: Kotak Institutional Equities estimates

JSW Steel has performed largely in line with Sensex, but underperformed peers since our reinitiation

Index values of Steel stocks versus Sensex (26th July 2007 = 100)



Source: Bloomberg

JSW Steel, Summary financials, March fiscal year-ends, 2007-10E (Rs mn)

Income statement	2007	2008E	2009E	2010E	Balance sheet	2007	2008E	2009E	2010E
Net revenues	85,944	101,967	121,635	151,135	Equity capital	5,258	5,134	5,134	5,134
Expenditure	(57,776)	(68,543)	(82,225)	(101,837)	Reserves and surplus	50,683	79,473	96,035	117,403
Raw materials	(39,640)	(45,501)	(55,545)	(70,906)	Deferred tax liability	10,127	13,507	17,449	21,199
Employee expenses	(1,755)	(2,305)	(2,559)	(2,929)	Total Equity	66,067	98,115	118,618	143,736
Other expenditure	(16,382)	(20,737)	(24,121)	(28,003)	Secured loans	36,325	55,245	89,210	90,964
EBITDA	28,168	33,424	39,410	49,298	Unsecured loans	5,405	5,405	5,405	5,405
Non-operating income	1,052	3,212	946	946	Total borrowings	41,730	60,650	94,615	96,369
Depreciation	(4,982)	(5,465)	(6,908)	(7,745)	Current liabilities	22,857	26,108	30,824	37,117
EBIT	24,237	31,171	33,448	42,499	Total capital	130,655	184,873	244,058	277,222
Interest expenses	(3,995)	(3,205)	(3,126)	(5,003)	Cash	3,378	925	1,018	1,119
Miscellaneous expenditure	(1,090)	(1,960)	-	-	Inventory	10,114	10,347	13,696	17,484
Adjusted pre-tax profits	19,152	26,006	30,322	37,496	Debtors	2,452	2,514	3,332	4,141
Unusual or infrequent items	-	-	-	-	Other current assets	8,913	15,656	18,017	21,557
Reported pre-tax profits	19,152	26,006	30,322	37,496	Total current assets	24,856	29,443	36,063	44,300
Current taxes	(3,526)	(5,201)	(6,064)	(8,624)	Gross block	105,128	123,222	188,195	196,367
Deferred taxes	(2,706)	(3,381)	(3,942)	(3,750)	Less: Depreciation	23,237	28,702	35,610	43,355
Reported net income	12,920	17,424	20,316	25,122	Net block	81,891	94,520	152,585	153,012
Adjusted net income	12,210	15,272	19,682	24,488	Add: Capital work-in-process	20,029	56,779	51,279	75,779
EPS (Rs), based on wtd avg shares	77.7	90.9	114.4	142.4	Total fixed assets	101,920	151,299	203,864	228,792
EPS (Rs), based on fully diluted shares	71.0	88.8	114.4	142.4	Investments	1,929	4,142	4,142	4,142
Year-end shares outstanding (mn)	164.0	172.0	172.0	172.0	Miscellaneous expenditure	1,949	(11)	(11)	(11)
Weighted average shares outstanding (mn)	157.2	168.0	172.0	172.0	Total assets	130,655	184,873	244,058	277,223
Fully diluted shares outstanding (mn)	172.0	172.0	172.0	172.0	Ratios (%)	2007	2008E	2009E	2010E
Cash flow statement	2007	2008E	2009E	2010E	Effective tax rate	32.5	33.0	33.0	33.0
Cash flow from operating activities					EBITDA margins	32.8	32.8	32.4	32.6
PBT	19,152	26,006	30,322	37,496	EBIT margins	28.2	30.6	27.5	28.1
Add: Depreciation	4,982	5,465	6,908	7,745	Net debt/equity	0.6	0.6	0.8	0.7
Add: Non cash expenses	920	-	-	-	Net debt/capitalization	0.2	0.3	0.5	0.5
Less: expenses capitalised	(379)	-	-	-	ROACE	14.3	11.0	10.3	11.6
Less: Taxes paid	(2,848)	(5,201)	(6,064)	(8,624)	ROAE	22.1	21.2	18.7	19.2
Add: Working capital changes	3,134	(7,112)	(1,811)	(1,843)	Key assumptions	2007	2008E	2009E	2010E
Total operating cash flow	24,961	19,158	29,355	34,774	Crude steel	2,914	3,633	4,523	6,162
Operating Cash flow w/o working capital	21,827	26,270	31,166	36,617	Hot rolled coils	2,155	2,716	2,944	3,640
Cash flow from investing activities					Galvanised products	714	756	810	855
Capital expenditure	(22,485)	(54,844)	(59,473)	(32,672)	Average HRC prices (US\$/ton)	675	661	679	646
Investments	39	(2,213)	-	-	Valuations (X)	2007	2008E	2009E	2010E
Misc expenditure not written off	-	1,960	-	-	Price to Diluted earnings	15.2	12.2	9.4	7.6
Total investing cash flow	(22,446)	(55,097)	(59,473)	(32,672)	EV/EBITDA	8.1	7.4	7.2	5.8
Cash flow from financing activities					EV/Sales	2.6	2.4	2.3	1.9
Share issuances	2,122	14,997	-	-	M.cap/Sales	2.2	1.8	1.5	1.2
Loans	2,337	18,920	33,965	1,754	Price to book	2.6	1.9	1.6	1.3
Less: Dividends paid (including dividend tax)	(4,087)	(431)	(3,754)	(3,754)	Per share numbers (Rs)	2007	2008E	2009E	2010E
Other long term liabilities	-	-	-	-	Reported Earnings	74.5	82.2	105.9	131.8
Total financing cash flow	372	33,486	30,211	(2,000)	Diluted Earnings	65.7	82.2	105.9	131.8
Net change in cash	2,887	(2,453)	93	102	Cash earnings	96.1	111.6	143.1	173.5
Opening cash	491	3,378	925	1,018	Free cash	(9.6)	(206.3)	(182.3)	(8.9)
Closing cash	3,378	925	1,018	1,119	Book	385.9	513.1	623.5	758.7

Source: Company data, Kotak Institutional Equities estimates

Media**ZEE.BO, Rs304**

Rating	SELL
Sector coverage view	Cautious
Target Price (Rs)	260
52W High -Low (Rs)	363 - 197
Market Cap (Rs bn)	131.6

Financials

March y/e	2007	2008E	2009E
Sales (Rs bn)	15.2	17.2	19.4
Net Profit (Rs bn)	2.4	3.6	5.1
EPS (Rs)	5.5	8.3	11.8
EPS gth	11.2	52.0	41.7
P/E (x)	55.6	36.6	25.8
EV/EBITDA (x)	41.8	23.8	17.3
Div yield (%)	0.5	0.6	0.9

Shareholding, September 2007

	% of		Over/(under)
	Pattern	Portfolio	weight
Promoters	41.5	-	-
FIs	31.0	0.5	0.2
MFs	10.8	1.1	0.8
UTI	-	-	(0.4)
LIC	5.6	0.5	0.2

Zee Entertainment Enterprises: Zee TV's ratings have come off in the past few weeks; effect of 9X and other new launches yet to be felt

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- **Zee TV (ZTV) loses momentum as blockbuster talent show ends**
- **'9XM', the music channel from INX takes leadership position in the music genre**
- **Watch out for the effect of strong competition such as INX, NDTV, TV18 on ZEEL**
- **Expensive valuations; we retain 'SELL' and our 12-month DCF-based TP of Rs260**

Zee TV's (ZTV) primetime ratings have declined substantially over the last few weeks with the end of its blockbuster talent show. ZTV had closed in on Star Plus, the leader in Hindi general entertainment segment, in early October. However, ZTV's ratings have declined of late and the gap has reopened with STAR Plus. Meanwhile, the INX group started operations with the launch of its (1) music channel '9XM', which made an impressive entry in the Hindi music market, and (2) Hindi general entertainment channel (9X) in mid-November. We continue to be concerned about the effect of strong competition on the market share and advertisement revenues of extant broadcasters such as ZEEL. Our 12-month DCF-based target price is Rs260 for ZEEL and we see increasing downside risks to our already aggressive estimates given the imminent entry of several strong players such as INX, NDTV and TV18 and limited progress in the pay-TV market.

Primetime ratings of Zee TV have declined substantially in recent weeks. Exhibit 1 shows the decline in the primetime ratings of ZTV, the flagship Hindi general entertainment channel of ZEEL, with the end of its blockbuster talent show '*SaReGaMaPa Challenge 2007*'. We note that ZEEL's ad revenues have a direct correlation with the ratings performance of its various channels. The strong increase in ad rates for ZEEL over the last few quarters was primarily due to improved ratings across most time bands led by its flagship channel (see Exhibit 2). However, ZTV was unable to sustain the momentum and gave up its hard-fought leadership position in the primetime segment. ZTV's strong ad rate growth of the past few quarters will likely stall as a result of the decline in ratings, even if it manages to retain its ad rates at existing high levels. This highlights the volatile nature of the business and possible changes in fortunes in a short period of time. Accordingly, we would be reluctant to give very high multiples to ZEEL's high earnings.

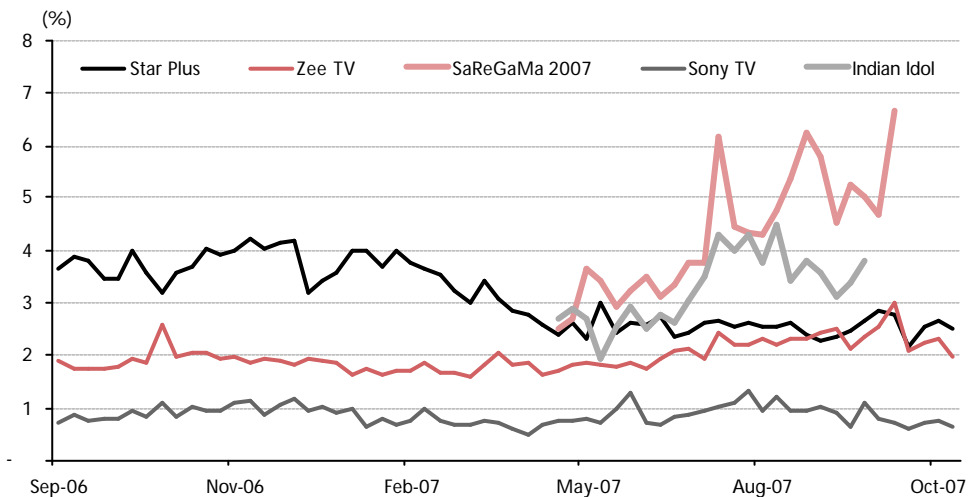
INX makes an impressive entry; '9X' effect of competition not discounted by the market. The INX group, run by industry veterans and backed by a clutch of private equity investors, recently started operations with the launch of its music channel '9XM'. The channel made an impressive entry into the Hindi music broadcasting space and achieved leadership position at launch (see Exhibit 3). Ratings of INX's recently-launched Hindi GE channel '9X', which will compete directly with Zee TV, are not yet available. However, we would note that INX has displayed its strength in distribution, a critical factor in the success of any broadcaster, with the launch of 9XM (see Exhibit 4). The other key factor is content and INX has signed up with top production houses in India to source programming for its Hindi GE channel, although it is too early to infer the popularity of its programming.

Exhibit 5 and 6 list the various mainstream and regional language channels, respectively, which will start operations over the next few months. We note that these new channels have remarkably good pedigree and fall into two categories—(1) companies with established track records in other genres and strong financials or (2) companies with experienced professionals, supported by private equity investors. We believe the market may be taking the competitive threat posed by new entrants and renewed investment in programming by extant broadcasters lightly. However, we believe that the start of several new channels, especially 2-3 Hindi GE channels, over the next few months will likely result in (1) fragmentation of revenues among extant and new broadcasters and (2) increase in programming and distribution costs. We find little diversity in extant programming slate of Hindi GE channels, especially during weekdays, which may provide an opportunity for new broadcasters (see Exhibit 7).

Valuations leave little room for disappointment; maintain sell. ZTV has 30% market share among all Hindi general entertainment channels in primetime (7:30-11:30 PM) currently. ZTV may find it difficult to retain its current market share but ZEEL's high valuations suggest that the street is not expecting any such correction in ZTV's market share. Our DCF-based 12-month fair valuation for ZEEL comes to Rs260 despite our strong projected growth in earnings for the next several years. We model FY2008, FY2009E and FY2010E EPS at Rs8.3, Rs11.8 and Rs15.0 versus Rs5.5 in FY2007. On a P/E basis, the stock is trading at 25.5X FY2009E after a 47% CAGR in EPS between FY2007 and FY2009E; our high growth forecasts carry substantial risks from a likely steep increase in competition. Further, the key to FY2009E multiple would be the quantum of earnings growth beyond FY2009E even if we assume that FY2009E EPS of Rs11.8 will be achieved. We retain our 'SELL' rating on the stock.

Talent show 'SaReGaMa 2007 challenge' has been the driver of Zee TV's resurgence in recent times

Prime time (7:30-11:30 PM) ratings for Hindi general entertainment channels and programs (%)



Source: TAM Media Research, compiled by Kotak Institutional Equities.

Zee TV is the leader in 7.30-9.00 PM band but is losing to Star Plus in the other primetime segments

TRPs ratings for Hindi GE channels across primetime (%)



Source: TAM Media Research, compiled by Kotak Institutional Equities.

9XM, the music channel from the INX group, achieves leadership position at launch

Primetime TRP ratings of various Hindi music channels (%)

Week beginning:	30-Sep-07	7-Oct-07	14-Oct-07	21-Oct-07	28-Oct-07	4-Nov-07
Primetime (7.30-11.00 PM) ratings (%)						
B4U Music	0.02	0.02	0.01	0.01	0.02	0.01
Channel [V]	0.01	0.02	0.02	0.02	0.02	0.02
MH1	0.03	0.02	0.01	0.01	0.02	0.01
MTV	0.03	0.03	0.02	0.03	0.03	0.03
Music India	0.02	0.03	0.02	0.02	0.02	0.02
Siti Music	0.02	0.02	0.02	0.01	0.01	0.02
Zee Music	0.01	0.01	0.01	0.01	0.01	0.01
9XM				0.02	0.05	0.06

Source: TAM Media Research, compiled by Kotak Institutional Equities.

INX had the right distribution for its music channel; we expect good reach for its Hindi GEC as well
Reach of various Hindi music and Hindi GE channels (%)

Week beginning:	30-Sep-07	7-Oct-07	14-Oct-07	21-Oct-07	28-Oct-07	4-Nov-07
Reach (%)						
Hindi Music channels						
B4U Music	6.94	7.17	6.65	6.90	7.13	7.64
Channel [V]	11.24	11.75	12.57	12.56	11.38	12.55
MH1	3.81	3.76	3.48	3.74	3.46	3.20
MTV	17.32	16.07	17.08	17.40	16.61	17.49
Music India	10.99	11.57	12.22	11.28	10.79	11.79
Siti Music	2.30	2.43	2.34	2.09	2.24	2.21
Zee Music	7.14	6.80	6.05	6.10	6.52	6.32
9XM				3.76	8.37	11.84
Hindi GE channels						
Bindaas	11.30	10.62	10.90	10.88	10.37	10.93
SAB TV	24.91	23.65	24.27	24.95	25.26	25.24
Sahara One	29.34	28.07	27.88	28.07	28.58	29.32
Sony TV	44.35	42.25	41.58	42.72	42.55	42.41
Star One	32.99	30.66	31.52	32.05	33.54	31.48
Star Plus	51.05	50.27	48.41	48.22	48.59	48.39
Star Utsav	10.09	10.39	9.90	10.92	11.39	11.01
Zee Smile	6.40	5.80	5.54	6.36	6.17	6.37
Zee TV	47.13	46.60	44.55	44.98	44.79	44.29
Zoom	22.39	22.30	23.30	22.81	22.69	23.28

Source: TAM Media Research, compiled by Kotak Institutional Equities.

A large number of new channels will start operations in the most common genres

List of extant and proposed channels in the general entertainment, news, cinema, sports and other genres

	Hindi - GE	English - GE	Hindi - News	English - News	Cinema	Music	Sports	Religious	Niche	Others
Existing										
9X	Dubai One	Aaj Tak	BBC	Arirang	9X Music	DD Sports	Aastha	7 Star Care	ARY Digital	
BBC Enter.	Goodtimes	Awaaz	Bloomberg TV	AXN	Atn Bangla	ESPN	Aastha Int.	Action TV	C Channel	
Channel Siti	Star World	DD News	Channel Asia	B4U Movies	B4U Music	Neo Sports	Angle TV	Adventure One	Channel Nepal	
DD Bharati	Zee Cafe	Dilli Aaj Tak	CNBC TV18	CCC Cine Channel	Channel G	Neo Sports Plus	Day Star TV	Animal Planet	CTVN AKD Plus	
DD National		Haryana Dinbhar	CNN	CVO	Channel V	Star Cricket	EWTN	Animax	DD regional (8)	
SAB		IBN 7	CNN IBN	FILMY	CMM Music	Star Sports	GOD	Australia Network	Dish TV Int.	
Sahara One		India TV	HeadlinesToday	Hallmark	Enter10	Ten Sports	Miracle TV	Bhaarath TV	Dubai TV	
Siti Cable		LiveIndia	NDTV 24x7	HBO	ETC	Zee Sports	Peace TV	Cartoon Network	DW-TV	
Sony TV		Jain TV	NDTV Profit	Jhankarr Movies	ITV		PowerVision TV	CBeebies	ETV regional (6)	
Star One		LiveIndia	Sky News	MAX	Jhankar TV		QTV	CT Buzz	Fe-TV	
Star Plus		NDTV India	Times Now	PIX	Jukebox TV		Sadhna	Discovery	IN Mumbai	
Star Utsav		S1 TV	Total TV	Siti Cinema	Lemon TV		Sanskar	Discovery T&L	Indus Vision	
UTV Bindass		Sahara Samay (6)		Star Gold	MH1		Satsang	Disney Channel	KTN	
Zee Smile		Star News		Star Movies	MTV		Shalom TV	Fashion TV	Lok Sabha TV	
Zee TV		Sudarshan TV		Zee Action	Music India		TCT World	History	NE Hi Fi	
Zoom		TEZ		Zee Cinema	Siti Music		Zee Jagran	Hum TV	NE TV	
		Zee Business		Zee Classic	SS Music			Hungama TV	Nepal One	
		Zee News		Zee Premier	Sur Sangeet			Life & Style	NHK	
				Zee Studio	The Musik			Living Asia	NOW TV	
					Trace TV			Nat Geo Channel	OTV	
					VH1			Nickelodeon	PTV	
					YO Music			POGO	Real Madrid TV	
					Zee Music			Reality TV	Ren TV	
								Shakti TV	Sindh TV	
								Shop 24/7 Multiplex	Taaza TV	
								Toon Disney	TBN TV	
								Ujala TV	TV5 Monde	
								Voyager TV	TVE	
								Zee Interactive	We TV	
								Zee Trendz		
								Zone Reality		
Total existing channels	16	4	23	12	19	23	8	16	31	41
Proposed										
BAG E24	Hy TV	Ab Tak	Al Jazeera	C Music	Bhojpuri Music		Pragya	13th Street	DD Health	
Imagine		Azad News	BAG Films	Manoranjan TV	RK Music			Life24	DD North East (2)	
Firangi		Big News	Big News	NDTV Movies	Sony Ent.			Bliss24	Hamar TV	
Viacom-18		News 24	EuroNews	Bindass Movies	TraceTV			Hariyali TV	Hum Bhojpuriya	
Zee Next		MH1 News	ITV News	World Movies				Health TV	INX TV (6)	
		NCR9 Delhi	News X	Big Movies (2)				Luxe TV	Liberty (4)	
		Metronation (4)	UTV Biz	Viacom-18 (2)				MarineBiz TV	Raj TV (11)	
		Sadhna News						Real Estate TV	STAR - Balaji (4)	
		Triveni News						Sahara Real Estate	STV News (5)	
		TV9 Mumbai						Triveni Lifestyle	Triveni Media (17)	
		Vision News						TV9 Bollywood	TV18 (3)	
								Universal Channel	Zoom2 TV	
								Weather Channel		
Total proposed channels	5	1	14	7	9	4	0	1	13	56
Total existing and proposed	21	5	37	19	28	27	8	17	44	97

Source: Kotak Institutional Equities estimates.

35 new regional language channels will start operations over the next few months

List of extant and proposed regional language channels

	Tamil	Telugu	Marathi	Kannada	Malayalam	Punjabi	Bengali	Gujarati
Existing								
	Aasirvatham	DD8 Saptagiri	DD10 Sahyadri	DD9 Chandana	Amrita TV	Balle Balle	24 Ghanta TV	DD11 Gujarati
	Brindavan TV	Eenadu TV	ETV Marathi	ETV Kannada	Asianet	DD Punjabi	Aakaash Bangla	ETV Gujarati
	Chutti TV	ETV2 News	Star Majha	Kasturi TV	Asianet News	ETC Punjabi	Atn Bangla	Gurjari
	DD5 Podhigai	Gemini Music	Mi Marathi	Suvarna	Asianet Plus	Lashkara TV	Bangla Akhon	Zee Gujarati
	Imayam	Gemini News	Star Majaa	TV9 Karnataka	Asianet Interactive	NRI TV	BTW World	
	Jaya TV	Gemini TV	Zee 24 Taas	U2	DD4 Malayalam	PBC TV	DD7 Bangla	
	Kalaignar TV	Maa Telugu	Zee Marathi	Udaya Movies	Indiavision	PTC News	ETV Bangla	
	KTV	Manna Telugu	Zee Talkies	Udaya TV	Jeevan TV	Punjab News	Kolkata TV	
	Makkal TV	Sanskriti		Udaya Varthegalu	Kairali	Punjab Today	NTV	
	Raj Digital Plus	Siti Telugu		Ushe TV	Kiran TV	Punjab TV	Sangeet Bangla	
	Raj Musix	Teja TV		Zee Kannada	Manorama News	Zee Punjabi	Star Ananda	
	Raj TV	TV9 News			People TV		Tara Muzik	
	Sun Music	Vissa TV			Surya TV		Tara Newz	
	Sun News	Zee Telugu					Zee Bangla	
	Sun TV							
	Vijay TV							
	Win TV							
Total existing channels	17	14	8	11	13	11	14	4
Proposed								
	Asianet	Asianet	Asianet	Sun Kids	Jaihind TV	Gurbani	Channel 8 Talkies	INX Group
	DMK TV (3)	Bhakti	IBN Lokmat	TV9 Kannada	Sun Kids	INX Group	INX Group	Triveni news
	Jaya Plus	Maa TV (3)		TV9 Sanskriti				TV9 Gujrati
	Maga TV	N TV						
	Raj News	Raj News						
	Raj Youth	STAR-Balaji						
	Vasanth TV	Sun Kids						
	Zee News (Tamil)	TV 1						
		Subhavaartha						
Total proposed channels	10	11	2	3	2	2	2	3
Total existing and proposed	27	25	10	14	15	13	16	7

Source: Kotak Institutional Equities estimates.

Lack of diversity in content, especially during weekdays, may provide an opportunity to new players

List of programming genres on top three Hindi GE channels during the week

Time period:	7.30-8.00	8.00-8.30	8.30-9.00	9.00-9.30	9.30-10.00	10.00-10.30	10.30-11.00	11.00-11.30
Star Plus								
Sunday	Serial		Mythological			Serial		Talent Show
Monday					Serial			
Tuesday					Serial			
Wednesday					Serial			
Thursday					Serial			
Friday	Serial		Talent Show		Serial		Talent Show	
Saturday	Movie		Talent Show		Mythological		Talent Show	
Zee TV								
Sunday	Serial	Mythological		Serial				Movie
Monday					Serial			
Tuesday					Serial			
Wednesday					Serial			
Thursday					Serial			
Friday			Serial				Talent Show	
Saturday	Reality	Mythological		Serial			Talent Show	
Sony TV								
Sunday					Movie			
Monday					Serial			
Tuesday					Serial			
Wednesday					Serial			
Thursday					Serial			
Friday	Music		Talent Show				Action	
Saturday	Children		Talent Show		Comedy		Action	

Source: Industry, compiled by Kotak Institutional Equities.

Consolidated profit and loss statement for Zee Telefilms, March fiscal year-ends, 2004-2006, ZEEL, 2007-2012E (Rs mn)

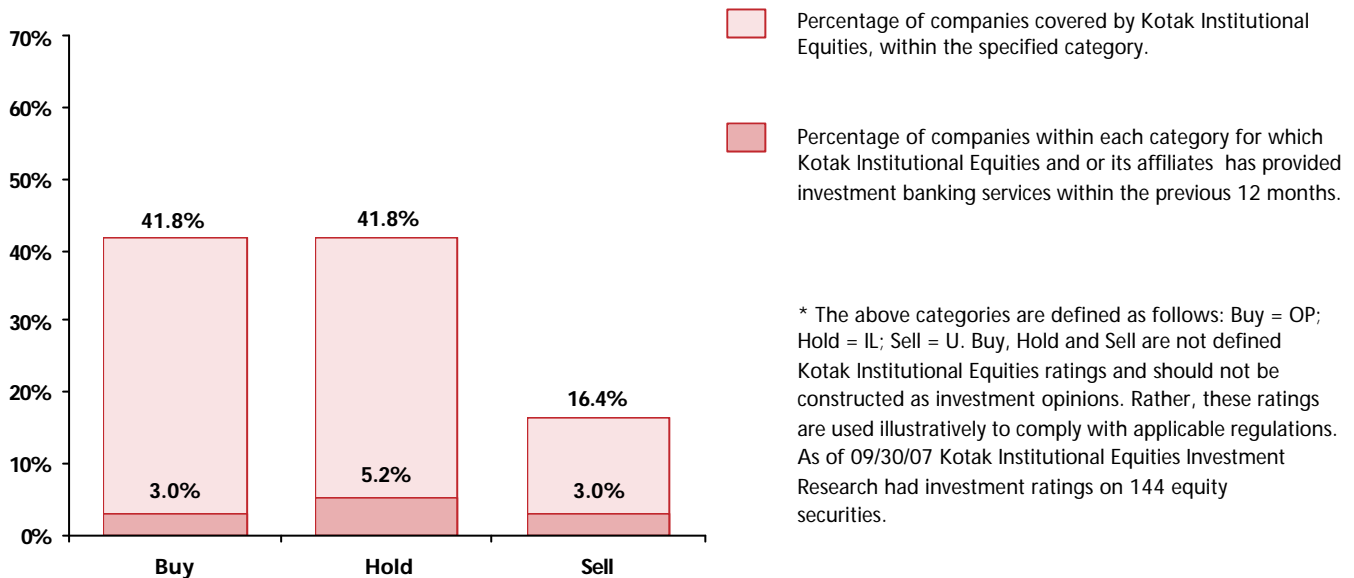
	2004	2005	2006	2007	2008E	2009E	2010E	2011E	2012E
Revenues									
National Hindi (Zee TV)	2,539	1,826	2,119	3,303	4,894	5,518	6,358	7,270	8,218
National Hindi (Zee Cinema)	756	914	996	1,574	1,830	2,063	2,378	2,719	3,073
Niche channels (News, English, Music, ETC Musi)	965	956	1,081	400	504	601	711	837	939
Regional channels (incl. ETC Punjabi)	1,365	1,324	1,486	—	—	—	—	—	—
Zee Sports + Taj TV	—	—	72	1,279	1,536	1,792	2,024	—	—
Cable TV (Siti)	220	266	261	—	—	—	—	—	—
Overseas - ZMWL	460	505	557	526	472	490	488	499	510
Others	50	(92)	(6)	(47)	—	—	—	—	—
Advertisement	6,355	5,698	6,566	7,035	9,236	10,464	11,959	13,605	15,301
Domestic pay-TV	2,173	2,696	2,801	3,113	3,430	4,220	5,346	6,587	7,742
Overseas	2,569	2,909	3,030	3,933	3,813	3,974	4,156	4,335	4,521
Domestic subscription	1,168	1,002	978	—	—	—	—	—	—
Others	115	(74)	364	(399)	—	—	—	—	—
Subscription	6,026	6,533	7,174	6,648	7,243	8,194	9,502	10,922	12,263
Education	131	106	162	205	218	240	264	290	319
Others	1,190	742	2,641	1,271	481	528	553	581	609
Total revenues	13,702	13,079	16,544	15,159	17,178	19,426	22,279	25,398	28,493
Programming/Content	(2,520)	(2,611)	(4,247)	(4,783)	(4,570)	(4,578)	(5,035)	(5,548)	(6,091)
Broadcasting	(618)	(675)	(515)	(564)	(516)	(513)	(509)	(519)	(530)
Distribution	(1,837)	(1,534)	(2,565)	(1,967)	(1,657)	(1,756)	(1,813)	(1,886)	(1,962)
Other direct operating	—	—	(262)	(766)	(768)	(808)	(850)	(894)	(941)
Employees	(727)	(858)	(1,089)	(1,017)	(1,395)	(1,516)	(1,624)	(1,749)	(1,887)
SG&A	(3,691)	(3,051)	(3,431)	(2,858)	(2,778)	(2,858)	(3,054)	(3,246)	(3,553)
Total expenses	(9,393)	(8,728)	(13,848)	(11,955)	(11,684)	(12,029)	(12,886)	(13,843)	(14,963)
EBITDA	4,309	4,351	2,695	3,204	5,495	7,397	9,393	11,555	13,530
Other income	776	521	639	747	849	934	1,026	1,266	1,575
Interest expense	(583)	(207)	(188)	(334)	(365)	(134)	(2)	—	—
Depreciation	(320)	(329)	(360)	(185)	(252)	(271)	(283)	(290)	(300)
Amortization	—	—	—	—	—	—	—	—	—
Pretax profits	4,183	4,336	2,787	3,432	5,727	7,927	10,134	12,531	14,806
Extraordinary items	26	(140)	19	—	—	—	—	—	—
Tax	(1,103)	(1,123)	(528)	(926)	(1,912)	(2,619)	(3,403)	(4,197)	(5,005)
Deferred tax	54	99	(9)	(76)	(3)	6	12	16	19
Minority interest	(192)	(50)	(117)	(58)	(206)	(203)	(243)	(286)	(330)
Net income	2,969	3,123	2,153	2,373	3,606	5,110	6,501	8,063	9,490
Recurring net income	2,942	3,263	2,134	2,373	3,606	5,110	6,501	8,063	9,490
Fully diluted EPS	7.1	7.5	4.9	5.5	8.3	11.8	15.0	18.6	21.9
Key ratios									
EBITDA growth (%)	14.7	1.0	(38.1)	18.9	71.5	34.6	27.0	23.0	17.1
EPS growth (%)	18.2	5.2	(34.6)	11.2	52.0	41.7	27.2	24.4	17.7
EBITDA margin (%)	31.5	33.3	16.3	21.1	32.0	38.1	42.2	45.5	47.5
Tax rate (%)	24.9	24.4	19.1	29.2	33.4	33.0	33.5	33.4	33.7
Shares o/s year end (mn)	412	412	413	434	434	434	434	434	434
Shares o/s fully diluted (mn)	412	435	435	435	435	435	435	434	434

Source: Kotak Institutional Equities estimates.

"Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Lokesh Garg, Jigar Mistry, Sanjeev Prasad."

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities.

As of September 30, 2007

Ratings and other definitions/identifiers

New rating system

Definitions of ratings

BUY. We expect this stock to outperform the BSE Sensex by 10% over the next 12 months.

ADD. We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

REDUCE: We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

SELL: We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months.

Old rating system

Definitions of ratings

OP = Outperform. We expect this stock to outperform the BSE Sensex over the next 12 months.

IL = In-Line. We expect this stock to perform in line with the BSE Sensex over the next 12 months.

U = Underperform. We expect this stock to underperform the BSE Sensex over the next 12 months.

Our target price are also on 12-month horizon basis.

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